

Assessment of payment adequacy: Home health care services

ISSUE: Each year MedPAC assesses the adequacy of current payments and develops an update recommendation for several of Medicare's fee-for-service sectors. Are current payments for home health services adequate? How should payments change in 2007?

KEY POINTS: In this paper we complete our application of the Commission's payment adequacy framework to the question of the update for home health services in 2007. We will discuss all of the indicators from the payment adequacy framework, including new information on:

- Beneficiaries' access to care,
- Changes in the volume of services, and
- Next steps for examining the payment system.

ACTION: Commissioners should review the findings in preparation for decision making at a subsequent meeting. The Commission's recommendation about updating payments for home health services will be included in the March 2006 report.

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